



## NEWS RELEASE

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### **State Small Business Programs Awarded Nearly \$57 Million From U.S. Treasury** *California Continues to Expand Small Business Support Programs*

**SACRAMENTO**— State Treasurer John Chiang and California Infrastructure and Economic Development Bank (IBank) Executive Director Teveia Barnes announced today that the U.S. Department of Treasury has authorized the final disbursement of \$57 million in federal funding to help the State's small businesses.

"The life blood of job creation in California rests with locally-owned small businesses, but they too often struggle with how to obtain the necessary capital to get off the ground or to pursue expansion. This additional funding provides tremendous opportunities for California to promote small business development, growth, and sustainability as the State's economy continues to improve," said Chiang, chair of the California Pollution Control Financing Authority (CPCFA), which administers the State's Capital Access Program (CalCAP) and its Collateral Support program.

"IBank is pleased to support the more than 3.6 million small but mighty businesses in California that employ half of our state's private sector workforce," said Barnes, Executive Director of IBank, which administers the Small Business Loan Guarantee Program (SBLGP). "These funds from the US Treasury will give a huge boost to our economy by helping small businesses expand and create more jobs."

The money is allocated to the CalCAP and Collateral Support Program administered by the State Treasurer's Office and the SBLGP administered by IBank. The funding is part of the State Small Business Credit Initiative (SSBCI) created by the Small Business Jobs Act of 2010 signed into law by President Obama.

[CalCAP](#) encourages banks and other financial institutions to make loans to small businesses that have difficulty obtaining financing. The [Collateral Support Program](#) pledges cash to cover the collateral shortfall of loans of \$50,000 or more.

IBank's [SBLGP](#) helps lenders provide loans to small businesses that may have difficulty accessing capital. IBank partners with Financial Development Corporations to guarantee loans up to 80 percent to encourage lenders to provide funds to small businesses.

Of the more than \$1.2 billion the U.S. Treasury disbursed to all 50 states, California has been allocated the most -- nearly \$168 million. So far, the State has deployed \$106.6 million to small business owners, who reported the program helped them create or retain 47,678 jobs through 2014. The remaining federal funds will be disbursed until exhausted, expected sometime in 2017.

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The Treasury Department awards allocations to all states based on a formula set by the Small Business Jobs Act. The formula considers population and unemployment levels.

"Small businesses are the nation's leading job creators, and the State Small Business Credit Initiative connects sources of capital to the small businesses that need it," said Jeffrey Stout, Director of SSBCI. "The funds announced today will continue to support loans and investments in California's small businesses."

About the California Pollution Control Financing Authority (CPCFA): *CPCFA provides California businesses with financing options for pollution control facilities and small businesses. Founded in 1972 and governed by a three-member board chaired by the State Treasurer, CPCFA administers programs servicing a variety of goals including: helping businesses construct solid waste, recycling, water and wastewater projects as a conduit issuer of tax-exempt bonds; assisting small businesses in obtaining loans for business start-up and expansion and working capital through the California Capital Access Program (CalCAP) and Collateral Support Program; collaborating with the Air Resources Board (ARB) to provide lenders with loan loss reserve accounts to finance new, cleaner-burning heavy duty diesel trucks and buses; partnering with the California Energy Commission with the CalCAP Electric Vehicle Charging Station Financing Program to provide lenders with loan loss reserve accounts and borrowers with the opportunity to receive a rebate when financing the installation electric vehicle infrastructure (CalCAP EVCS); and transforming brownfields into vibrant housing and retail developments that enhance communities in the California Recycle Underutilized Sites Program (CALReUSE). CalCAP lenders have loaned approximately \$238 million since program's inception in 1974. During this time, 3,034 jobs were created and 26,000 jobs were retained in California as a result of loans enrolled using SSBCI funds. Additionally, the Collateral Support program has leveraged over \$132 million in lending which has helped create 608 new jobs and retain 2,696 existing jobs. Find more information at: <http://www.treasurer.ca.gov/cpcfa/>.*

About the California Infrastructure and Economic Development Bank (IBank): *The Legislature created IBank in 1994 to finance public infrastructure and private development that promote a healthy climate for jobs, contribute to a strong economy, and improve the quality of life for Californians. Since then, IBank has financed more than \$35 billion in infrastructure and economic development projects. IBank is part of the Governor's Office of Business and Economic Development and governed by a five-member Board of Directors. IBank has broad authority to issue tax-exempt and taxable revenue bonds, provide financing to public agencies, provide credit enhancements, acquire or lease facilities, and leverage State and Federal funds. Find more information at: <http://www.ibank.ca.gov>.*

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